

1 AN ACT concerning taxation.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Illinois Income Tax Act is amended by
5 adding Section 213 as follows:

6 (35 ILCS 5/213 new)

7 Sec. 213. Low-emission vehicle credit.

8 (a) As used in this Section:

9 "Alternative fuel" means methanol, denatured ethanol, and
10 other alcohols; mixtures containing 85% or more by volume of
11 methanol, denatured ethanol, and other alcohols with gasoline
12 or other fuels; natural gas; liquefied petroleum gas;
13 hydrogen; coal derived liquid fuels; fuels other than alcohol
14 derived from biological materials; and electricity, including
15 electricity from solar energy.

16 "Conventionally-fueled vehicle" means a motor vehicle
17 that is fueled solely by a petroleum based fuel such as
18 gasoline or diesel.

19 "Converted vehicle" means a motor vehicle that is
20 retrofitted so that it is fueled solely by an alternative
21 fuel and that meets the emission standards set forth for that
22 class of low-emission vehicles as defined under rules and
23 regulations of the Illinois Environmental Protection Agency
24 applicable to clean fueled fleets when operating on an
25 alternative fuel.

26 "Covered area" means a geographic area designated by the
27 United States Environmental Protection Agency in the Code of
28 Federal Regulations as an area that has not attained or
29 maintained the National Ambient Air Quality Standard for
30 ozone in accordance with the federal Clean Air Act, as
31 amended, or any county adjacent to a covered area.

1 "Fleet operator" means a person who operates a fleet of
2 10 or more motor vehicles and that fleet is operated in a
3 single covered area, even if the fleet motor vehicles are
4 garaged outside a covered area.

5 "Low-emission vehicle" means a motor vehicle that is
6 fueled solely by an alternative fuel and that meets emission
7 standards as defined under rules of the Illinois
8 Environmental Protection Agency applicable to clean-fueled
9 fleets when operating on an alternative fuel.

10 "Motor vehicle" has the same meaning as in the Illinois
11 Vehicle Code.

12 (b) For tax years ending on or after December 31, 2001,
13 each taxpayer is allowed a credit against the tax imposed
14 under subsections (a) and (b) of Section 201 for the purchase
15 or lease of a new low-emission vehicle that is registered in
16 a covered area. The amount of the credit is \$2,500 per new
17 low-emission vehicle.

18 (c) For tax years ending on or after December 31, 2001,
19 each taxpayer is allowed a credit against the tax imposed
20 under subsections (a) and (b) of Section 201 for the
21 conversion of a conventionally-fueled vehicle to a converted
22 vehicle that is registered in a covered area. The amount of
23 the credit is equal to the cost of conversion, not to exceed
24 \$2,500 per converted vehicle.

25 (d) For tax years ending on or after December 31, 2001,
26 each taxpayer is allowed a credit against the tax imposed
27 under subsections (a) and (b) of Section 201 for the
28 purchase or lease of each electric vehicle charger that is
29 located in a covered area. The amount of the credit is
30 \$2,500 per charger.

31 (e) The credits granted under this Section are subject
32 to the following conditions and limitations:

33 (1) All claims for any credit provided by
34 subsection (b) must be (i) accompanied by a certification

1 issued by the automobile dealership where the new
2 low-emission vehicle was purchased or leased and (ii)
3 made only by a taxpayer who is the ultimate purchaser or
4 lessee of a new low-emission vehicle at retail.

5 (2) In order to qualify for a tax credit in a
6 particular calendar year for the lease of a new
7 low-emission vehicle under subsection (b), the lease must
8 be in effect before or on the last day of the calendar
9 year in which the credit is claimed.

10 (3) All claims for any credit provided by
11 subsection (c) must be accompanied by a certification
12 issued by the Illinois Environmental Protection Agency.

13 (4) Motor vehicles subject to the requirements
14 imposed upon fleet operators by the federal Clean Air
15 Act, 42 U.S.C. 7401 and following, as amended, and
16 applicable federal regulations are not eligible for any
17 tax credit under this Section.

18 (5) All claims for any credit provided by
19 subsection (d) must be: (i) accompanied by a
20 certification issued by the seller where the new electric
21 vehicle charger was purchased or leased and (ii) made
22 only by a taxpayer who is the ultimate purchaser or
23 lessee of a new electric vehicle charger at retail.

24 (6) Any credit claimed under this Section but not
25 used in any taxable year may be carried forward for 5
26 years from the close of the taxable year in which a new
27 low-emission vehicle was purchased or leased or a
28 conventionally-fueled vehicle was changed into a
29 converted vehicle, provided that the applicable
30 certification required in paragraph (1) or (3) of this
31 subsection accompanies the claim.

32 (7) The amount of any credit provided in this
33 Section may not reduce the taxpayer's liability to less
34 than zero.

1 (f) The Department of Revenue may adopt rules to provide
2 for the administration of any credit provided by this
3 Section.

4 (g) The Illinois Environmental Protection Agency may
5 adopt rules to provide for (i) the specific standards and
6 requirements for low-emission and converted vehicles and
7 electric vehicle chargers consistent with the terms of this
8 Section, (ii) an approved certification form to be issued by
9 an automobile dealership that certifies the purchase or lease
10 of a new low-emission vehicle that is qualified for a tax
11 credit provided by this Section, (iii) the certification of
12 any converted vehicle that is qualified to claim a credit
13 provided by this Section, and (iv) an approved certification
14 form to be issued by the seller that certifies the purchase
15 or lease of a new electric vehicle charger that is qualified
16 for a credit under this Section.

17 (h) This Section is exempt from the provisions of
18 Section 250.